



STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



NOTICE: DEVELOPMENT ENGAGEMENT PROCESS SPRING 2023

4/17/2023

The Department of Housing (DOH) in collaboration with the Connecticut Housing Finance Authority (CHFA) is for a limited time inviting participation in the Development Engagement Process Spring 2023 (DEP Spring 2023). The DEP Spring 2023 facilitates the management by DOH of a pipeline of potential projects for future DOH funding opportunities. It is also used by those who will be seeking CHFA Low-Income Housing Tax Credits (LIHTC) with or without DOH assistance.

All respondents to the DEP Spring 2023 interested in 4% or 9% LIHTC must rely on the [2022 and 2023 LIHTC Qualified Allocation Plan \(QAP\)](#), until the updated version is published later this year. The DEP Spring 2023 round is for projects that can, upon invitation from DOH and/or CHFA, apply for development funding within 90 days of invitation. Respondents must reasonably believe they are able to prepare and deliver a complete and compliant CHFA & DOH Consolidated Application to meet this timeframe.

The rules and priorities for LIHTC are documented separately by CHFA and will follow the 2022 and 2023 QAP, until superseded by the 2024-2025 QAP. CHFA will hold a virtual LIHTC Overview Session in the Fall of 2023, which will coincide with a Fall DEP round. Notice of the Overview Session will be made via CHFA's mailing list and posted on CHFA's website. The requirements, descriptions, and priorities in this Notice are superseded by all communication from CHFA regarding the 2024 9% LIHTC round.

The DEP Spring 2023 is not competitive, nor does it directly result in an award of financial assistance. Participants have an opportunity to submit prospective developments and engage with DOH as to how proposals coincide with the priorities and current goals important to the agency and CHFA.

Eligible Proposals: Potential projects should fall into categories such as new construction, substantial rehabilitation, or preservation of multifamily affordable rental or homeownership housing.
-Projects with a minimum unit mix of 80% affordable (a maximum of 20% market-rate or unrestricted units)
-Significant level of units planned for households at or below 30%, 50%, and 60% Area Median Income tiers

Ineligible Proposals: DEP Spring 2023 is not intended for the following:
-State Sponsored Housing Portfolio projects
-Proposals contemplating the third-party administration of housing programs

Discretion of Resources: For projects that come in through DEP Spring 2023 and are invited to apply for financial assistance, DOH will determine the amount and source at its discretion. Funds could be from State resources, Federal programs, or a combination with all associated requirements thereof. CHFA may also have financing resources available to eligible projects at its discretion.

Submittal: DOH and CHFA will continue to utilize the joint online Preliminary Application which is an application of limited scope, content, and requirements. Submissions should meet both the general requirements of the Preliminary Application and the DEP Spring 2023 Requirements and Instructions published separately.

Review: Responses will be categorized and reviewed by the staff of DOH and CHFA. The agencies will follow up with each respondent in the manner determined to be most appropriate based on the information submitted and available for that project.

Important Dates: DOH is anticipating publishing all necessary guidance and accepting submissions beginning on or about May 1st, 2023. This window will only be open for approximately 3 weeks.

Interested parties should visit <https://portal.ct.gov/DOH/DOH/Housing/Funding-Opportunities> and select the page for this Spring 2023 Development Engagement. The detailed **Requirements and Instructions** show how to submit a Preliminary Application and list the exhibits that DOH recommends.

LEVEL OF READINESS FOR DEP SPRING 2023:

- Resources sufficient to meet proposed project needs through to submission of a full application
- Site control or option control
- Site plan approved or pending municipal review with approval expected within 6 months
- Project details including tentative unit count matrix by bedroom size and affordability (AMI) levels
- Documentable compliance with DOH procurement requirements for any team members under contract
- DOH compliant Procurement Plan, in writing and approved by governance body of the applicant
- If hiring a Development Consultant and/or using a Development Partner, applicant should demonstrate the capacity to procure and finalize such arrangement using its own resources
- Ability to provide basic information on the environmental condition of the site
- Identify if any residential or commercial relocation, either temporary or permanent, is required
- Recent rough estimate of project cost and likely sources; amount of gap DOH assistance requested
- Demonstration that a complete and viable Consolidated Application can be submitted by January of 2024 or earlier

Supplemental Information:

- DOH refers to Affordable Housing as described in the Connecticut General Statute for Affordable Housing CGS Sec. 8-37pp. Responding parties seeking DOH assistance must be eligible under the statute to apply for DOH financial assistance and the subject project must be an affordable housing activity eligible under the statute.
- Applicants whose Preliminary Application includes 9% LIHTCs in the capital stack are advised that 9% LIHTCs are awarded only through a highly competitive application process based on program set-asides, the point scoring system, and the ranking process outlined in the approved 2022 and 2023 LIHTC Qualified Allocation Plan, which will be updated for 2024 – 2025 later this year.
- Prospective property owners must at least have an active option to purchase or otherwise obtain site control of the project property. Prospective developers must be in partnership with an owner or prospective owner. Prospective consultants must represent an owner or qualified prospective developer.
- Some projects that participated in past Development Engagement rounds, but did not receive an invitation to apply must complete the new Preliminary Application under the DEP 2023 Notice and Requirements. Projects that participated in a past Development Engagement either 2020, 2021 or 2022 should email DOH-DevelEngage@ct.gov describing your advancements in readiness and asking for a determination on whether or not to participate in DEP Spring 2023. Please do not assume that you are ready to resubmit.
- Participation in the DEP does not constitute a commitment of any DOH or CHFA financing or other assistance and the expectations and/or representations made in this Notice could be changed outside of our control.

This Notice incorporates the public information for the DOH Development Engagement Process Spring 2023 and any updates will be distributed through similar channels, including posting at www.ct.gov/doh. Questions regarding this notice should be sent to DOH-DevelEngage@ct.gov.

For general questions regarding eligibility of specific projects and requirements of specific funding sources, please review our website or contact Miguel Rivera at rivera.miguel@ct.gov.

For additional questions about CHFA funding programs and requirements, including CHFA's role in the Development Engagement Process and LIHTC, please contact Terry Nash Giovannucci at terry.nash@chfa.org or PreliminaryApplication@chfa.org.